



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Rd.

Anchorage, Alaska 99503-6199

**COPY FOR YOUR
INFORMATION**

AFES/MMM

AUG 15 2006

Ms. Susan Childs
Shell Exploration & Production Company
3601 C Street, Suite 1334
Anchorage, Alaska 99503

Dear Ms. Childs:

This responds to your June 2, 2006, request for Letters of Authorization (LOA) for incidental and intentional take of polar bears and Pacific walrus in regards to the Shell Offshore, Inc. (Shell) 2006 Beaufort Sea Open-water Program. The U.S. Fish and Wildlife Service (USFWS) authorized intentional take for this project on July 21, 2006. On August 2, 2006, final regulations that authorize the non-lethal, incidental, unintentional take of small numbers of polar bears and Pacific walrus during year-round oil and gas industry exploration, development, and production operations in the Beaufort Sea and adjacent northern coast of Alaska were issued for a period of five years. In accordance with these regulations, enclosed is a LOA (06-01) that allows Shell to take small numbers of polar bears and Pacific walrus incidental to activities occurring during the 2006 Open-water Beaufort Sea Program. The Beaufort Sea Program includes marine surveys, geophysical, geotechnical studies and supporting lease development activities.

Polar bear conservation has benefited from monitoring programs associated with the Incidental Take program since 1993. Monitoring serves to assess the effect of industrial activities on polar bears by evaluating trends and effects of bear encounter rates, take frequency, as well as the location and timing of encounters. In addition, the USFWS believes that monitoring and protection measures for marine mammals described in Shell's Bear Avoidance and Human Encounter/Interaction plan are appropriate. Service biologists are available for consultation if questions or concerns arise during the project period at the phone numbers listed below and noted in your interaction plan. Furthermore, daily or weekly reports specific to marine mammal observations and related information from the seismic vessels associated with Shell's 2006 Beaufort Sea Open-water Program. These reports will help the Service track activities and monitoring observations.

Ms. Susan Childs

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This authorization is issued in accordance with our regulations listed at 71 FR 43926, dated August 2, 2006. Should you have any further questions contact Mr. Craig Perham of our Marine Mammals Management Office at (907) 786-3800 or 786-3810.

Sincerely,

A handwritten signature in black ink, appearing to read 'RMB', with a long horizontal flourish extending to the right.

Acting

Rosa Meehan, Ph.D.

Chief, Marine Mammals Management

Enclosure

cc: Mr. Rance Wall, Minerals Management Service
FFWFO
LE

MMM

ISSUED: August 10, 2006
EXPIRES: December 31, 2006

LETTER OF AUTHORIZATION
(06-01)

Shell Offshore, Inc. (Shell) is hereby authorized to take small numbers of polar bears and Pacific walrus incidental to activities occurring during the 2006 Open-water Beaufort Sea Program. This also includes contractors of Shell performing Shell-approved work under the scope of operations to be conducted. The scope of operations is limited to the activities that will be conducted during the Beaufort Sea Program, which includes marine surveys, geophysical, geotechnical studies and supporting lease development activities. Authorization is subject to the following conditions:

1. The polar bear plan is approved and all provisions, unless noted specifically, are incorporated into this Letter of Authorization by reference.
2. Shell Operations Managers, or their designates, will be fully aware, understand, and capable of implementing the conditions of this authorization.
3. Intentional take is prohibited under this authorization.
4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated June 2, 2006.
5. Polar bear monitoring, reporting, and survey activities will be conducted in accordance with 50 CFR 18, section 18.128. The basic monitoring and reporting requirements follow:
 - cooperate with the U.S. Fish and Wildlife Service, and other designated Federal, State, or local agencies to monitor the impacts of oil and gas exploration activities on polar bears;
 - designate a qualified individual or individuals to observe, record, and report the effects of the activity on polar bears;
 - communicate to the U.S. Fish and Wildlife Service daily or weekly reports specific to marine mammal observations and related information from the vessels associated with Shell's 2006 Beaufort Sea Open-water Program;

- at the discretion of the U.S. Fish and Wildlife Service, allow the U.S. Fish and Wildlife Service to place an observer on the site to monitor the impacts of the activity on polar bears;
- submit an annual monitoring report to the Marine Mammals Management Office, which will be received by January 15, 2007.

6. This authorization expires December 31, 2006.



Chief, Marine Mammals Management

8/15/06

Date